GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1930
ANSWERED ON:03.08.2001
OVERDRAFTS BY STATES
ALE NARENDRA

Will the Minister of FINANCE be pleased to state:

(a) the States which have taken overdrafts from the Reserve Bankof India during 2000-2001 and 2001-2002, till date alongwith the amount taken in each case alongwith the reasons therefor;

(b) whether the RBI has dishonoured the cheques of some of the States;

(c) if so, the details thereof alongwith the reasons therefor;and

(d) the amount of advance released by the Union Government to the States facing financial crisis during the above period, State-wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) to (c): The position of cash balances and over-drawal if any, of the State Governments may vary from day to day and State to State. Transactions between a State and the RBI are conducted as peragreement between the two. Since, it is a matter of relationship between the banker and the client (RBI and State Government) theinformation about the State`s overdraft on their accounts with the RBI is not published/made public by the Government of India.

(d): The Union Government through a combination of feasiblereleases helps the States from time to time to overcome the cash imbalance and overdraft with the Reserve Bank of India.